



DEFENSE FINANCE AND ACCOUNTING SERVICE
ARLINGTON

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JAN 29 2004

DFAS-DFM

MEMORANDUM FOR DIRECTOR, MILITARY PAY OPERATIONS, DEFENSE
FINANCE AND ACCOUNTING SERVICE (PM/CL)

SUBJECT: Interim Change to the DoDFMR, Volume 7A, Regarding Assignment Incentive
Pay (DFAS Item L-85)

The attached Interim Change 06-04 to the Department of Defense Financial Management Regulation (DoDFMR), Volume 7A, is effective immediately. This change provides policy for the payment of Assignment Incentive Pay. This is a new chapter and replaces the former Chapter 7 that has been incorporated into the consolidated chapter of all medical special pays and bonuses.

We have evaluated your comments on the proposed change and included your comments where appropriate. Assignment of the interim change number is your authority to initiate procedural modifications to implement this change. Use the attached to initiate the formal change to the DoDFMR, Volume 7A.

for Maria W. Harris
Jerry S. Hinton
Director for Finance

Attachment:
As stated

cc: OUSD(C)(ODCFO)(FP)
ODUSD(MPP)(Comp)
ODGC(F)
Service Liaisons
USCG/NOAA/PHS Liaisons
DFAS-DDM/CL
DFAS-GAM/DE
DFAS-PMA/CL
DFAS-PMJE/DE

**SUMMARY OF MAJOR CHANGES TO
DOD 7000.14-R, VOLUME 7A, CHAPTER 7
“MONTHLY INCENTIVE PAYS - GENERAL”**

Substantive revisions are denoted by a ★ preceding the section, paragraph, table
or figure that includes the revision

PARA	EXPLANATION OF CHANGE/REVISION	EFFECTIVE DATE
070101 thru 070105 and Bibliography	This is a new entitlement	Upon signature.

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CHAPTER 7

MONTHLY INCENTIVE PAYS - GENERAL0701 ASSIGNMENT INCENTIVE PAY

070101. Entitlement. With the concurrence of the Secretary of Defense, the Secretary concerned may designate certain assignments and authorize monthly entitlement to Assignment Incentive Pay (AIP) to a member of an uniformed service, while the member is serving in such a designated assignment. The Secretary of Defense provided concurrence for the Navy AIP program on May 29, 2003.

070102. Eligibility. To be eligible the member must be serving on active duty. The period for which AIP will be provided and the monthly rate of the incentive pay for each entitled member shall be specified in a written agreement between the Secretary concerned and the member. Incentive pay paid under this section is in addition to any other pays and allowances to which the member is entitled.

070103. Payment. The maximum monthly rate of incentive pay payable to a member under this chapter is \$1,500. Entitlement begins upon reporting to the assigned duty and terminates when detached from the assigned duty, except as provided for in paragraph 070105, below. Payment will be prorated for partial months served in a designated assignment..

070104. Restrictions. No agreement for AIP may be entered into after December 31, 2005. Payment for AIP may not be made to Navy members receiving a Selective Reenlistment Bonus for Location for the same assignment.

070105. Special Provisions. The service of a member in a designated assignment shall not be considered discontinued during any period that the member is not performing service in the assignment by reason of temporary duty performed by the member pursuant to orders or absence of the member for authorized leave.

Chapter 7—Monthly Incentive Pays - General

0701—Assignment Incentive Pay

37 U.S.C. 307a
Public Law 107-314,
section 616,
December 2, 2002
OUSD(P&R) Memo,
May 29, 2003
NAVADMIN message
192350Z Jun 2003